

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 98-820

January 11, 2000

BANGOR HYDRO-ELECTRIC COMPANY  
Request for Approval of Sale of Generation  
Assets

ORDER APPROVING SALE OF  
BANGOR HYDRO-ELECTRIC  
COMPANY'S GRAHAM  
STATION UNITS 4 AND 5

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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## SUMMARY

In this Order, we approve the sale by Bangor Hydro-Electric Company (BHE) of its Graham Station Units 4 and 5 generating assets to I.I.S.A., Inc. of Seabrook, New Hampshire.

## BACKGROUND AND DISCUSSION

On December 3, 1999, BHE filed a Motion for Second Supplemental Order in the above-captioned proceeding. BHE requested approval, pursuant to 35-A M.R.S.A. § 1101, of its proposed sale of generating assets known as the Graham Station Units 4 and 5, and certain associated materials and equipment, all located in Veazie, Maine to I.I.S.A., Inc. of Seabrook, New Hampshire. The sale price agreed to between BHE and I.I.S.A., Inc. is \$570,000. BHE also requested the Commission to find, pursuant to 35-A M.R.S.A. § 3204(1), that the sale is in accordance with BHE's divestiture plan approved by the Commission in Docket No. 98-114. On December 7, 1999, BHE filed Exhibit A to its Motion, the Surplus Equipment Sales Agreement between BHE and I.I.S.A., Inc., and, on December 4, 1999, BHE provided additional background and supplemental information in support of the proposed sale.

As explained by BHE in the Motion and supporting material, the Graham Units 4 and 5 have a combined rated capacity of 48 MW, but have not provided capacity or energy since Graham Station was deactivated in 1992. Because BHE previously sold the Graham Station site, including the site's air emissions license, to Casco Bay Energy Company, LLC, the Graham Units 4 and 5 must be moved to a new site in order to operate. In the alternative, the units could be dismantled and used for parts. Although BHE included the Graham Units 4 and 5 among the generating assets auctioned in 1999, it received no bids for the units. As a result, BHE retained a broker to attempt to find a buyer.

BHE notes that the Graham Station Units have been for sale since 1991, shortly before the Station was deactivated. To date, there has been little interest in Units 4 and 5, although BHE did sell the Graham Unit 3 in 1993 for \$227,500. According to BHE,

the proposed sale to I.I.S.A., Inc. is the only firm offer made on the Graham Units 4 and 5 since they went on the market in 1991. Finally, BHE notes that, under the Surplus Equipment Sales Agreement, I.I.S.A., Inc. will incur the costs to dismantle and move the units.

## **DECISION**

We have reviewed BHE's proposed sale of the Graham Station Units 4 and 5 to I.I.S.A., Inc. Based largely on the lack of any prior success in marketing these assets, we find the proposed sale to be reasonable. In addition, we find the sale to be consistent with BHE's divestiture plan previously approved in Docket No. 98-114, as well as with our prior approvals of the sale of BHE's other generating assets.

Accordingly, we

## **O R D E R**

That the sale of Bangor Hydro-Electric Company's Graham Station Units 4 and 5 and certain associated materials and equipment, pursuant to the Surplus Equipment Sales Agreement entered between Bangor Hydro-Electric Company and I.I.S.A., Inc. on November 30, 1999, is authorized.

Dated at Augusta, Maine, this 11th day of January, 2000.

**BY ORDER OF THE COMMISSION**

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:

Welch  
Nugent  
Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.